

Service Date: August 19, 2004

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of MDU RESOURCES GROUP, INC.)	DOCKET NO. D2004.8.122
for Authorization of the Issuance of)	DEFAULT ORDER NO. 6584
up to 400,000 additional shares of)	
Common Stock)	

On August 2, 2004, MDU Resources Group, Inc. ("MDU" or "Company") filed an application with the Montana Public Service Commission ("Commission") seeking authority to issue up to 400,000 additional shares of Company Common Stock as proposed in the application in connection with the MDU Resources Group, Inc. Non-Employee Director Stock Compensation Plan (the "Plan"). The application is filed pursuant to Title 69, Chapter 3, Part 5, MCA.

The application was supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by public utilities operating within Montana. For detailed information with respect to the general character of MDU's business and the territory served by it, reference is made to its annual report on file with the Commission.

At a regular open session of the Commission, held at its offices on August 17, 2004, there came before the Commission for final action the matters in this Docket, and the Commission, having fully considered the application and data and records pertaining thereto on file with the

Commission and being fully advised in the premises, makes the following:

FINDINGS OF FACT

1. MDU is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.
2. MDU is operating as a public utility as defined in 69-3-101 and 69-3-102, MCA, and as such is engaged in furnishing electric and gas service in Montana.
3. The Commission has jurisdiction over the subject matter of said application under Title 69, Chapter 3, Part 5, MCA.
4. MDU has applied for authorization from the Commission to grant up to an additional 400,000 shares of the Company's Common Stock to be issued from time to time in connection with the Plan. The purpose of the Plan is to provide ownership of Common Stock to non-employee members of the Board of Directors in order to improve the Company's ability to attract and retain highly qualified individuals to serve as Directors of the Company and to strengthen the commonality of interest between Directors and stockholders. The Plan has a fixed maximum number of shares and is administered by a committee appointed by the Board of Directors which will consist of at least two persons not eligible to participate in the Plan who do not need to be members of the Board of Directors. The Plan provides for each non-employee Director to receive an annual grant of Common Stock as a portion of the annual retainer payable to such Director. The stock grant is in addition to the cash retainer paid to each non-employee Director. The stock grant is made automatically on the fifteenth business day after each annual meeting of stockholders. The Plan also provides each non-employee Director with the right to elect to increase the number of shares of Common Stock that will be granted by reducing the cash

portion of the annual retainer.

5. MDU requests that the authorization granted pursuant to the application permit the Company to issue the Common Stock from time to time, in one or more transactions, until all the shares specified in the application have been issued.

6. The transactions proposed by MDU (a) are consistent with the public interest; (b) are for a purpose or purposes permitted under the laws of the State of Montana; (c) are necessary or appropriate for and consistent with the proper performance by MDU of service as a public utility; and (d) will not result in a situation in which the aggregate amount of the securities outstanding and proposed herein to be outstanding will exceed the fair value of the properties and business of MDU.

CONCLUSIONS OF LAW

The securities transactions proposed by MDU, as herein authorized, will be for a lawful purpose and are consistent with the public interest; the same are appropriate and consistent with the necessary performance of MDU of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of MDU.

ORDER

IT IS HEREBY ORDERED by the Commission:

1. The application of MDU Resources Group, Inc. for authority to issue up to 400,000 additional shares of Company Common Stock in connection with the Plan as proposed in the application is hereby approved and authorization is granted. This authorization is effective until all of said shares have been issued.

2. Neither the issuance of securities by MDU pursuant to the provision of this Order nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any securities authorized, issued, assumed or guaranteed hereunder.

3. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission.

4. Issuance of the Order does not constitute acceptance of MDU's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

Approval of this application is for financing purposes only. This approval is without prejudice to the regulatory authority of this Commission with respect to ratemaking, rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided for by law.

DONE IN OPEN SESSION at Helena, Montana, this 17th day of August, 2004, by a vote of 4-1 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGERSON, Commissioner

JAY STOVALL, Commissioner

ATTEST:

Connie Jones
Commission Secretary
(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.